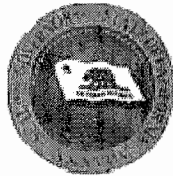


Proclamation

Governor Schwarzenegger Declares State of Emergency for California's Levee System

EXECUTIVE DEPARTMENT

STATE OF CALIFORNIA



PROCLAMATION
by the
Governor of the State of California

WHEREAS, the California Department of Water Resources document "Flood Warnings: Responding to California's Flood Crisis," submitted to the Legislature in January 2005 identified major deficiencies and challenges to the flood control system in the California Central Valley;

WHEREAS, the California Department of Water Resources testified before the Legislature that a magnitude 6.5 earthquake in the Sacramento Delta region would likely result in a catastrophic levee failure that threatens the drinking water supply for 24 million citizens in California;

WHEREAS, a majority of California's agriculture industry is dependent on water from the Sacramento Delta and a catastrophic levee failure would result in cessation of pumping capacity for as much as 18 months, causing \$30-\$40 billion in economic damage to the State;

WHEREAS, a catastrophic levee failure would threaten tens of thousands of homes and major transportation corridors;

WHEREAS, a catastrophic levee failure would result in significant environmental impacts including the permanent loss of critical habitat for endangered species around the Sacramento Delta;

WHEREAS, severe weather conditions during the past two flood seasons have brought unusually heavy rains, which combined with the already poor condition of many levees creates conditions of imminent peril to those living near the levees, to the environment, businesses, and critical life support systems, such as drinking water supplies;

WHEREAS, my Administration has introduced to the Legislature a comprehensive flood control investment strategy to address these serious threats;

WHEREAS, because of these severe weather conditions, I, Arnold Schwarzenegger, have issued Proclamations of State of Emergency in as many as 42 counties that have suffered flooding, mudslides, the accumulation of debris, washed out and damaged roads, and the loss of human life;

WHEREAS, severe weather conditions during each flood season have resulted in the accumulation of significant damage to the levee system;

WHEREAS, severe weather conditions during the future flood seasons or an earthquake will likely overwhelm the State's levee system;

WHEREAS, the U.S. Army Corps of Engineers in cooperation with the California Department of Water Resources has identified 24 critical erosion sites on project levees in the Sacramento and San Joaquin River Flood Control systems that need to be repaired before a catastrophic levee failure occurs; and will continue to identify additional levee erosion sites;

WHEREAS, any levee breaches in the Central Valley have both hidden and known deficiencies, and it is imperative that the State take measures to address serious risks as they become known;

WHEREAS, without an emergency proclamation and federal assistance, the California Department of Water Resources will not be able to complete necessary repairs to these 24 identified critical erosion sites before the start of the next flood season;

WHEREAS, the Department of Water Resources will continue to identify additional levee sites that require expedited repairs to prevent the loss of human life and significant property damage during a catastrophic levee failure;

I, ARNOLD SCHWARZENEGGER, Governor of the State of California, find that conditions of extreme peril to the safety of persons and property exist within the California levee system;

The resources to address this threat exceed the capabilities, services, personnel, equipment and facilities of any one county. Under the authority of the California Emergency Services Act, set forth at Title 2, Division 1, Chapter 7 of the California Government Code, commencing with section 8550, I hereby proclaim that a State of Emergency exists for the State's levee system;

Pursuant to this proclamation, I hereby direct all agencies of the state government to utilize and employ state personnel, equipment and facilities for the performance of any and all necessary activities to alleviate this emergency in accordance with the State Emergency Plan.

I FURTHER DIRECT, that as soon as hereafter possible, this proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this proclamation.



IN WITNESS WHEREOF I have here unto set my hand and caused the Great Seal of the State of California to be affixed this the twenty-fourth day of February 2006.

/s/ Arnold Schwarzenegger

Governor of California



OFFICE OF THE GOVERNOR

**Letter from Governor Schwarzenegger to President Bush Requesting
Federal Emergency Declaration for California Levees**

Governor Arnold Schwarzenegger today sent the following letter to President Bush requesting a federal emergency declaration for California levees.

February 27, 2006

The President
The White House
Washington, D.C. 20500

Through:

Ms. Karen Armes, Acting Regional Director
Federal Emergency Management Agency, Region IX
1111 Broadway, Suite 1200
Oakland, California 94607-4052

Dear Mr. President,

On February 24, 2006 I proclaimed a state of emergency for the California levee system due to the imminent threat of catastrophic levee failure.

Under the provisions of Section 501(a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5121-5206 (Stafford Act), and implemented by Title 44 of the Code of Federal Regulations § 206.35, I request that, as a result of this imminent threat, you also declare an emergency for the State of California, focusing first on 24 identified critical levee erosion sites located on project levees in the counties of Colusa, Sacramento, Solano, Sutter, Yolo, and Yuba, and then on additional critical levee erosion sites as they are identified.

These 24 critical erosion sites, identified in a report by consultants for the U.S. Army Corps of Engineers (Corps) in cooperation with the California Department of Water Resources (DWR) dated December 29, 2005, represent the gravest danger of catastrophic levee failure and the highest priority for repair of the identified erosion sites. Only eight of these critical sites have been scheduled for repair in 2006, but these projects are in jeopardy due to the lack of federal funding. The other 16 sites have had only cursory review and there is no scheduled plan to repair them. At the current rate of progress, it could take more than four years to complete rehabilitation work at these 24 sites. California cannot wait that long because of the grave threat posed by a catastrophic levee failure. Therefore, I have directed that the full resources of the State of California be utilized to repair these critical sites before the next flood season and am seeking federal assistance to achieve this goal.

Mr. President, during the past two flood seasons, severe weather conditions have caused me to proclaim states of emergency in as many as 42 counties. In fact, as you know, less than two months ago I proclaimed states of emergency covering 34 counties in California and those same counties were declared disaster areas by the Federal government. These storms alone caused more than an estimated \$400 million in disaster-related damages throughout California's coastal areas and the Central Valley, and further weakened critical erosion sites on project levees along the Sacramento and San Joaquin Rivers.

Increasingly severe weather systems each season have accelerated the deterioration of the state's levee system to the point where they are now in danger of failing during the next major rainfall or earthquake. This worsening

situation creates conditions of extreme peril to the public and property protected by the levees, to the environment, and to the very foundation of California's economy.

The California Central Valley flood control system consists of approximately 1,600 miles of project levees maintained by the DWR, various local governments and special districts, and thousands of miles of non-project levees. This intricately balanced system protects more than 500,000 people, two million acres of developed agricultural land, and structures worth at least \$50 billion. The system is aging and deteriorating and, in some places, literally washing away. Over the years, major storms and flooding have taken many California lives, caused significant property losses, and resulted in extensive damage to public and private infrastructure in the Central Valley. Devastating storms in 1997 drove 120,000 people from their homes, resulting in one of the largest mass evacuations in the state's history, and caused damage to more than 30,000 residences and businesses. More recently, the Upper Jones Tract levee failure, in June 2004, produced more than \$100 million in repairs and disaster-related losses.

Pursuant to 44 CFR § 206.35, I have determined that this incident is of such severity and magnitude that effective response is beyond the capabilities of the state and affected local governments, and that supplementary federal assistance is necessary to save lives, protect property, public health, and safety, or to lessen or avert the threat of a disaster. I am specifically requesting federal assistance to accomplish emergency protective measures as allowed under the Public Assistance Program. I would also like to request that the Federal Emergency Management Agency (FEMA) interpret Stafford Act criteria as broadly as possible to encompass and reimburse the wide array of activities that may be needed to alleviate this emergency.

Preliminary estimates of the costs needed to repair the 24 critical erosion sites are between \$75 and \$100 million. The types and amount of emergency assistance needed under the Stafford Act and from other federal agencies under other statutory authorities are expected to exceed \$56 million (75% share) and are tabulated in Enclosure A.

In order to alleviate the conditions of this emergency, DWR has worked cooperatively with the Corps under the Sacramento River Bank Protection Program. Under this program, the Corps repairs severely eroded sites and cost-shares the work with the state on a 75 percent (federal)/ 25 percent (state) basis. The state committed \$6.1 million for State Fiscal Year (SFY) 2005/06 and I have proposed \$4.9 million for SFY 2006/07. I certify that for this emergency, the state and local governments will assume all applicable nonfederal share of the costs required by the Stafford Act.

I have designated Mr. Henry R. Renteria, Director of the Governor's Office of Emergency Services, as the State Coordinating Officer for this request. He will work with FEMA, on my behalf, to provide any additional information or justification that may be needed.

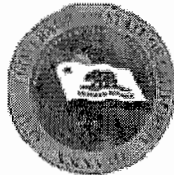
Sincerely,

Arnold Schwarzenegger

Executive Order

EXECUTIVE DEPARTMENT

STATE OF CALIFORNIA



EXECUTIVE ORDER S-01-06
by the
Governor of the State of California

WHEREAS, on February 24, 2006, I proclaimed a State of Emergency based on a finding that conditions of extreme peril to the safety of persons and property exist within California's levee system; and

WHEREAS, on February 27, 2006, I requested that the President of the United States declare an emergency for the State of California, focusing first on 24 identified critical levee erosion sites located on project levees in the counties of Colusa, Sacramento, Solano, Sutter, Yolo, and Yuba; and

WHEREAS, the identified critical levee erosion sites pose a continued and imminent threat to the public and property protected by the levees, to the environment and to California's economy; and

WHEREAS, it is imperative that these identified critical levee erosion sites be repaired as soon as possible in order to alleviate the conditions of this emergency; and

WHEREAS, strict compliance with the certain statutes and their implementing regulations, identified below, would prevent, hinder or delay the mitigation of the effects of the emergency.

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California do hereby issue this order to become effective immediately:

The California Department of Water Resources shall immediately develop a plan to accomplish critical levee erosion repairs this year and shall coordinate a statewide effort to complete repairs at the 24 critical levee erosion sites on the Sacramento River flood control system, identified in a report by consultants for the U.S. Army Corps of Engineers dated December 29, 2005.

The California Department of Water Resources shall take all necessary steps to immediately implement the plan to accomplish the critical levee erosion repairs at the 24 identified sites this year.

All State agencies with responsibilities, regulatory authority or expertise related to the critical levee erosion sites or repairs shall cooperate fully and act expeditiously in coordination with the California Department of Water Resources to facilitate the completion of all repairs on the 24 critical levee erosion sites this year. Any State agency requested to do so in writing by the Director of the California Department of Water Resources shall temporarily assign staff to the California Department of Water Resources to assist with critical levee erosion repairs.

The California Department of Water Resources shall contract for the services of necessary qualified personnel and for the supplies, materials, equipment and services necessary to perform the critical levee erosion site repairs and to identify additional levee sites that may require expedited repairs to prevent the loss of human life and significant property damage during a catastrophic levee failure. The California Department of Water Resources is authorized to enter into such contracts as expeditiously as possible and for this purpose shall be exempt from the provisions of the Government Code and the Public Contract Code applicable to state contracts, including, but not limited to, advertising and competitive bidding requirements, to the extent that they would prevent, hinder or delay the prompt mitigation of the effects of this emergency.

IT IS FURTHER ORDERED that this order shall expire upon the termination of the State of Emergency.

The activities herein are authorized to be carried out pursuant to the Emergency Services Act, Government Code sections 8550 et seq.

I FURTHER DIRECT that as soon as hereafter possible, this order be filed in the Office of the Secretary of State and that widespread publicity and notice be given to this order.



IN WITNESS WHEREOF I have here unto set my hand and caused the Great Seal of the State of California to be affixed this the sixth day of March 2006.

/s/ Arnold Schwarzenegger

Governor of California



GOVERNOR ARNOLD SCHWARZENEGGER

March 6, 2006

Lt. General Carl Strock
Commander and Chief of Engineers
United States Army Corps of Engineers
441 G Street, Northwest
Washington, DC 20314-1000

Re: Proclamation of a State of Emergency for Critical Levee Erosion

Dear General Strock,

As a result of the imminent threat of catastrophic levee failure, I proclaimed a state of emergency for the California levee system on February 24, 2006. In my proclamation, I focused on the imminent threat of 24 identified critical levee erosion sites located in the counties of Colusa, Sacramento, Solano, Sutter, Yolo, and Yuba. On February 26, 2006, I requested that the President declare a federal state of emergency.

The existence of these 24 critical levee erosion sites creates conditions of extreme peril to the public and property protected by the levees, to the environment, and to the state's general economic well being. Therefore, I am directing that the full resources of the State of California be brought to complete any necessary work to repair these sites this year to avoid a catastrophic levee failure.

To accomplish this critical emergency work, California will need the assistance of federal agencies, including the United States Army Corps of Engineers. I am formally requesting that federal assistance be provided in the following manner.

First, I request that the Corps join with the state in recognizing the imminent threat of failure posed by these critical erosion sites. This is a clearly defined threat acknowledged in the Corps' own consultant report, and given the location of these critical erosion on major rivers flowing past populated areas, it is readily apparent that significant damage will be incurred if preventive action is not taken immediately. This imminent threat is present now in the current flood season and will continue next flood season if the critical erosion sites are not repaired.

The state requests that the Corps do its part to complete as much of these critically important repairs as possible. Accordingly, pursuant to the Code of Federal Regulations, Title 33, Part 203, Subpart F, section 203.72, I request that the Corps assist the state and respond to this emergency by taking advance measures to complete the repair of the 24 critical erosion sites identified in the December 29, 2005 study

prepared by Ayres Associates for the Corps. The following addresses the requirements governing the Corps' emergency work under advance measures to prevent the loss of life and significant damage to property.

State Efforts Undertaken

Following my proclamation of the state of emergency on February 24, the appropriate state agencies immediately redirected resources to repair the 24 levee sites by the end of the calendar year. The California Department of Water Resources (CDWR) is developing a strategic plan for completing the construction, addressing all steps required from design work to environmental mitigation to construction. This includes procuring the appropriate materials and means to perform the work at each critical erosion site and putting in place consulting and construction contracts. The California Department of Finance is securing the financial resources to ensure state's share of the funds are committed in a timely fashion. The California Resources Agency is coordinating with its departments to put in place programmatic agreements to address environmental mitigation and any impact on historic, archeological or Native American resources. As I noted above, I am directing the full resources of the state to protect lives and property by ensuring the necessary repairs to these critical erosion sites are completed this year.

Specific State Needs Requiring Corps Assistance

California specifically needs the Corps' assistance in the following ways:

- Fund, through re-programming, the Sacramento River Bank Protection Project, to accomplish the repairs of the critical erosion sites identified to be completed this year, in recognition of the immediate flood threat, to complete the repair work on the Sacramento River Bank Protection Project sites.
- Waive all rules pertaining to the state advancing funds to the Corps to allow the Corps to directly complete as much of the work as possible.
- Fully cooperate in expediting the amendment of the Local Cooperation Agreement for the Sacramento River Bank Protection project, to allow the state to advance funds to the Corps for construction of erosion repairs within the Corps' capability this year.
- Immediately share with the state all available information regarding the critical sites identified. In particular, the state needs to receive all information regarding plans and specifications, design work, reports, field inspections, geotechnical studies, surveys, biological assessments, any other environmental studies and documentation, and other appropriate documents.
- Acknowledge the emergency nature of this work and the imminent threat to public safety in enforcing Section 404 of the Clean Water Act and in consulting with federal regulatory agencies, including developing agreements that will allow any required mitigation to take place after the repairs have been completed.

Additional Commitments By Non-Federal Interests

In addition to the state resources that have been committed to addressing this critical issue, the CDWR will be coordinating with local reclamation districts, flood control districts and affected cities and counties to

Lt. General Carl Strock
March 6, 2006
Page 3

ensure that their resources, expertise, and assistance are appropriately employed to accomplish the repair of these critical sites this year.

Non-Federal Sponsor

The non-federal sponsor for this emergency work is the CDWR.

Because I have directed the CDWR to work to repair all critical erosion sites that the Corps is unable to complete before the start of the next flood season, I also request the Corps to coordinate with CDWR to ensure that the levees are certified immediately upon completion of the repairs. To accomplish this goal, I request that the Corps work with CDWR to ensure that all repairs are completed to Corps and FEMA standards. To this end, it will be necessary for the Corps to provide staff to work with CDWR to review the designs and the contract bid packages that the state will complete. It will also be necessary for the Corps to be present during construction and to verify that the state is completing the work to Corps and FEMA standards.

In addition, I request that the Corps work with the state to arrange for the state to be reimbursed by the federal government under appropriate cost-share formulas without the need for prior approval of credit agreements. This will ensure that the repair work is completed this year with proper contribution to the cost by the federal government. Finally, I request that the Corps provide all available assistance through its consultation with federal regulatory agencies and under its own permits and certification requirements to allow this critical repair work to proceed immediately, including developing agreements that will allow any required mitigation to take place after the repairs have been completed.

Finally, there are reports that the recent storms have induced levee damage, and possibly new critical erosion, along reaches not now identified in the Ayres Report as being critical. As new critical sites are identified, we will be requesting that the Corps, under Public Law 84-99, restore the levees to their pre-flood conditions using federal funds for the federal cost share for these repairs.

I appreciate your cooperation in meeting this challenge.

Sincerely,



Arnold Schwarzenegger

cc: The Honorable John Paul Woodley, Jr.
Assistant Secretary of the Army (Civil Works)
108 Army, Room 3E431
Pentagon
Washington, DC 20410-0108